BY EMAIL AND RESS

August 5, 2015

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

RE: EB-2015-0083 – Kingston Hydro Corporation

It was recently brought to our attention that the Corporate Tax return filed as part of the above-noted application was the "Bar Code Return" and not the "human readable version".

In that respect we attach the correct version of the tax return as Exhibit 4, Tab 5, Schedule 2, Attachment 2.

Respectfully submitted,

Randy Murphy, CPA, CA
Chief Financial Officer

Copy: Intervenors of Record
Mr. Andrew Taylor

P.O. Box 790 Kingston, Ontario Canada K7L 4X7 **p.** 613.546.1181 www.kingstonhydro.com

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal *Income Tax Act* and *Income Tax Regulations*. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business number (BN) **001** 86652 9399 RC0001

Corporation's name
002 Kingston Hydro Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . **010** 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 1211 John Counter Blvd.
012

City	Province, territory, or state
015 Kingston	**016** ON
Country (other than Canada)	Postal code/Zip code
017	**018** K7L 4X7

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o Randy Murphy
022 1211 John Counter Blvd.
023

City	Province, territory, or state
025 Kingston	**026** ON
Country (other than Canada)	Postal code/Zip code
027	**028** K7L 4X7

Location of books and records (if different from head office address)
Has the location of books and records changed since the last time we were notified? . . . . **030** 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 031 to 038.)
031 1211 John Counter Blvd.
032

City	Province,territory, or state
035 Kingston	**036** ON
Country (other than Canada)	Postal code/Zip code
037	**038** K7L 4X7

040 Type of corporation at the end of the tax year

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . **043** ______ YYYY MM DD

To which tax year does this return apply?

Tax year start **060** 2014-01-01 (YYYY MM DD) — Tax year-end **061** 2014-12-31 (YYYY MM DD)

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? . . . . **063** 1 Yes [ ] 2 No [X]

If **yes**, provide the date control was acquired . . . . **065** ______ YYYY MM DD

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** 1 Yes [ ] 2 No [X]

Is this the first year of filing after:
Incorporation? . . . . **070** 1 Yes [ ] 2 No [X]
Amalgamation? . . . . **071** 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . **076** 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? . . . . **078** 1 Yes [ ] 2 No [X]

If an election was made under section 261, state the functional currency used . . . . **079** ______

Is the corporation a resident of Canada?
080 1 Yes [X] 2 No [ ] If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081 ______

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 **096**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

	Line	1 Yes	2 No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270		X
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 913910 Other Local, Municipal and Regional Public Administration

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity	285	100.000 %
286		287	%
288		289	%

	Line	1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 ________ (YYYY MM DD)

	Line	1 Yes	2 No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.			300	1,077,152	A
Deduct: Charitable donations from Schedule 2	311				
Gifts to Canada, a province, or a territory from Schedule 2	312				
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gifts of medicine from Schedule 2	315				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction*	325				
Non-capital losses of previous tax years from Schedule 4	331				
Net capital losses of previous tax years from Schedule 4	332				
Restricted farm losses of previous tax years from Schedule 4	333				
Farm losses of previous tax years from Schedule 4	334				
Limited partnership losses of previous tax years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Subtotal			▶		B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				1,077,152	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360	1,077,152	
Income exempt under paragraph 149(1)(t)			370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				1,077,152	Z

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7	400	1,077,152	A
Taxable income from line 360 on page 3, **minus** 100/28 3.57143 of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	1,077,152	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** *** 115,180 D / 11,250 = 5,119,111 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") **425** ______ F

Small business deduction

Amount A, B, C, or F, whichever is the least ______ x 17 % = **430** ______ G

Enter amount G on line I on page 7.

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** **Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior year** minus $10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current year** minus $10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)			1,077,152	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		B		
Amount QQ from Part 13 of Schedule 27		C		
Personal service business income	432	D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		E		
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		F		
Aggregate investment income from line 440 on page 6*		G		
Subtotal (**add** amounts B to G)		►		H
Amount A **minus** amount H (if negative, enter "0")			1,077,152	I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %			140,030	J

Enter amount J on line 638 on page 7.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		L		
Amount QQ from Part 13 of Schedule 27		M		
Personal service business income	434	N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		O		
Subtotal (**add** amounts L to O)		►		P
Amount K **minus** amount P (if negative, enter "0")				Q
General tax reduction – Amount Q **multiplied** by 13 %				R

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	**440**		x 26 2 / 3 % =		A
Foreign non-business income tax credit from line 632 on page 7				B	
Deduct:					
Foreign investment income from Schedule 7	**445**		x 9 1 / 3 % =	C	
			(if negative, enter "0")	D ▶	D
Amount A **minus** amount D (if negative, enter "0")					E
Taxable income from line 360 on page 3				1,077,152 F	
Deduct:					
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least			G		
Foreign non-business income tax credit from line 632 on page 7		x 100 / 35 =	H		
Foreign business income tax credit from line 636 on page 7		x 4 =	I		
		Subtotal	▶	J	
				1,077,152 K	
				x 26 2 / 3 % =	287,241 L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8)					161,573 M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least				**450**	N

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year	**460**			
Deduct: Dividend refund for the previous tax year	**465**			
		▶		O
Add the total of:				
Refundable portion of Part I tax from line 450 above		P		
Total Part IV tax payable from Schedule 3		Q		
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	**480**			
		▶		R
Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R			**485**	

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3	741,000	x 1 / 3 =	247,000 S
Refundable dividend tax on hand at the end of the tax year from line 485 above			T
Dividend refund – Amount S or T, whichever is less			U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550	409,318	A
Recapture of investment tax credit from Schedule 31			602		B

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6					C
Taxable income from line 360 on page 3	1,077,152	D			
Deduct:					
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		E			
Net amount (amount D **minus** amount E)	1,077,152	▶		1,077,152	F

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount C or amount F	604		G
Subtotal (**add** amounts A, B, and G)		409,318	H

Deduct:

Small business deduction from line 430 on page 4			I		
Federal tax abatement	608	107,715			
Manufacturing and processing profits deduction from Schedule 27	616				
Investment corporation deduction	620				
Taxed capital gains 624					
Additional deduction – credit unions from Schedule 17	628				
Federal foreign non-business income tax credit from Schedule 21	632				
Federal foreign business income tax credit from Schedule 21	636				
General tax reduction for CCPCs from amount J on page 5	638	140,030			
General tax reduction from amount R on page 5	639				
Federal logging tax credit from Schedule 21	640				
Eligible Canadian bank deduction under section 125.21	641				
Federal qualifying environmental trust tax credit	648				
Investment tax credit from Schedule 31	652				
Subtotal		247,745	▶	247,745	J

Part I tax payable – Amount H **minus** amount J	161,573	K

Enter amount K on line 700 on page 8.

Summary of tax and credits

Federal tax

Part I tax payable from amount K on page 7	700		161,573
Part II surtax payable from Schedule 46	708		
Part III.1 tax payable from Schedule 55	710		
Part IV tax payable from Schedule 3	712		
Part IV.1 tax payable from Schedule 43	716		
Part VI tax payable from Schedule 38	720		
Part VI.1 tax payable from Schedule 43	724		
Part XIII.1 tax payable from Schedule 92	727		
Part XIV tax payable from Schedule 20	728		
Total federal tax			161,573

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760	123,872	
Provincial tax on large corporations (Nova Scotia Schedule 342)	765		
(The Nova Scotia tax on large corporations is eliminated effective July 1, 2012.)			
Total provincial or territorial tax		123,872 ▶	123,872
Total tax payable	770		285,445 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount U on page 6	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Canadian film or video production tax credit refund (Form T1131)	796		
Film or video production services tax credit refund (Form T1177)	797		
Tax withheld at source	800		
Total payments on which tax has been withheld	801		
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	342,504	
Total credits	890	342,504 ▶	342,504 B

Refund code 894 1 Overpayment 57,059 ◀ Balance (amount A **minus** amount B) -57,059

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information

910 ______ Branch number

914 ______ Institution number 918 ______ Account number

If the result is positive, you have a **balance unpaid**.
If the result is negative, you have an **overpayment**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid ______

For information on how to make your payment, go to **www.cra-arc.gc.ca/payments**.

Enclosed payment 898 ______

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 A8025

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, 950 Murphy (Last name (print)) 951 Randy (First name (print)) 954 Treasurer (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2015-04-20 Date (yyyy/mm/dd) ______ Signature of the authorized signing officer of the corporation 956 (613) 546-1181 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below 957 1 Yes ☒ 2 No ☐

958 ______ Name (print) 959 ______ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Privacy Act, personal information bank number CRA PPU 047

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	22,001,624	22,194,351
	Total tangible capital assets	2008	+	65,075,992	61,745,091
	Total accumulated amortization of tangible capital assets	2009	–	25,091,493	23,486,273
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	10,501,443	11,512,561
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	72,487,566	71,965,730
	Liabilities				
	Total current liabilities	3139	+	20,105,751	21,390,147
	Total long-term liabilities	3450	+	26,314,718	25,696,982
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	46,420,469	47,087,129
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	26,067,097	24,878,601
	Total liabilities and shareholder equity	3640	=	72,487,566	71,965,730
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	9,986,355	8,514,203

***** Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	11,312,689	12,071,921
	Cost of sales	8518	–		
	Gross profit/loss	8519	=	11,312,689	12,071,921
	Cost of sales	8518	+		
	Total operating expenses	9367	+	9,416,215	10,580,699
	Total expenses (mandatory field)	9368	=	9,416,215	10,580,699
	Total revenue (mandatory field)	8299	+	11,906,957	12,670,161
	Total expenses (mandatory field)	9368	–	9,416,215	10,580,699
	Net non-farming income	9369	=	2,490,742	2,089,462
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	2,490,742	2,089,462
	Total other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	288,226	348,703
	Future (deferred) income tax provision	9995	–	-10,636	-19,003
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,213,152	1,759,762

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes checklist

Corporation's name	Business number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation?	095	1 Yes X	2 No
Is the accountant connected* with the corporation?	097	1 Yes	2 No X

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note
If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you **do have** to complete Part 4, as applicable.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: 198

Completed an auditor's report	1	X
Completed a review engagement report	2	
Conducted a compilation engagement	3	

Part 3 – Reservations

If you selected option **1** or **2** under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation?	099	1 Yes	2 No X

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: 110

Prepared the tax return (financial statements prepared by client)	1	
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	

Were notes to the financial statements prepared?	101	1 Yes X	2 No

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes?	104	1 Yes	2 No X
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes	2 No X
Is contingent liability information mentioned in the notes?	106	1 Yes X	2 No
Is information regarding commitments mentioned in the notes?	107	1 Yes	2 No X
Does the corporation have investments in joint venture(s) or partnership(s)?	108	1 Yes	2 No X

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	-353,232
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **250** 1 Yes [ ] 2 No [X]

Did the corporation apply hedge accounting during the tax year? . . . . . **255** 1 Yes [X] 2 No [ ]

Did the corporation discontinue hedge accounting during the tax year? . . . . . **260** 1 Yes [ ] 2 No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . **265** 1 Yes [ ] 2 No [X]

If **yes**, you have to maintain a separate reconciliation.

T2 BAR CODE RETURN

Name: Kingston Hydro Corporation

BN: 86652 9399 RC 0001

Tax Year Start: 2014-01-01

Tax Year End: 2014-12-31

The principal business of Kingston Hydro Corporation (the "Company") is to distribute electric power to the residents of the City of Kingston and to manage the City of Kingston's electric power system. The business is regulated by the Ontario Energy Board through the issuance of licenses which require compliance with established market rules and codes. The Company is wholly-owned by the Corporation of the City of Kingston (the "City of Kingston").

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") including accounting principles prescribed by the Ontario Energy Board (the "OEB") in the Accounting Procedures Handbook (the "AP Handbook") for Electric Distribution Utilities, and reflect the significant accounting policies summarized below:

(a) Rate regulation:

Kingston Hydro Corporation is regulated by the Ontario Energy Board ("OEB") under authority of the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would apply to enterprises operating in a non-regulated environment. Specifically, the following accounting treatments have been applied:

(i) Costs incurred with respect to deregulation of the electricity industry in Ontario, have been deferred pursuant to regulations underlying the Electricity Act, 1998, ("EA") and are subject to review and approval for recovery by the OEB.

(ii) An amount to represent the cost of funds used during construction and development has been added to the carrying value of assets under construction based on the value of construction-in-progress for those projects with a construction life greater than one year.

(iii) The Company has deferred the recognition of certain pre-market opening cost of power variances and post-market opening retail settlement variances in accordance with Article 490 of the OEB's AP Handbook.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(b) Revenue recognition:

Revenue is recognized on the accrual basis, which includes an estimate of unbilled revenue, representing customer usage from the date of each customer's last meter reading until the end of the fiscal year. Actual results could differ from estimates made of actual electricity usage.

Billed and unbilled revenues presented on the balance sheet include distribution revenue as well as power charges billed and collected on behalf of the Independent Electricity System Operator ("IESO").

The Company presents distribution revenue earned on a gross basis but presents amounts billed in respect of power, connection, transmission and wholesale market service charges on a net basis.

Services and other revenue are recognized as services are rendered or contract milestones are achieved.

(c) Inventory:

Inventories consist primarily of maintenance and construction materials. To the extent that such materials are used for upgrades and improvements to its electricity distribution system, they are capitalized as capital assets. Once capitalized, these items are not amortized until they are put into service. Inventories are carried at the lower of cost and net realizable value, with cost determined on an average cost basis net of a provision for obsolescence.

(d) Capital assets:

Capital assets are recorded at cost and include contracted services, materials, labour, engineering costs, overhead and an allowance for the cost of funds used during construction when applied. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. The OEB requires that such contributions, whether in cash or in-kind, be offset against the related asset cost. Contributions in-kind are valued at their fair market value at the date of their contributions.

When identifiable assets, such as buildings, substation equipment, system supervisory equipment, meters, tools and vehicles are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets, such as the overhead distribution system, is removed from the accounts at the end of their estimated service life.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(d) Capital assets (continued):

Depreciation is provided on the straight-line basis using the following annual rates:

Asset	Rate
Buildings and fixtures	1.67% to 3.33%
Substation equipment	1.67% to 5.00%
Distribution system	1.67% to 2.86%
Meters	2.50% to 6.67%
Tools and equipment	10.00% to 20.00%
System supervisory equipment	5.00%
Application software	20.00%
Vehicle	8.33% to 12.50%
Leasehold improvements	Over the term of the lease
Miscellaneous intangible plant	2.50%

Capital work-in-progress comprises capital assets under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

(e) Contributed capital:

Amounts recovered from customers on capital projects are recorded as a capital asset contra account and amortized on a straight-line basis at the same rate used for amortization of the related property and equipment. Contributed capital is included in the respective capital asset categories in note 4.

(f) Incorporation costs:

Incorporation costs are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis over ten years.

(g) Regulatory assets:

Regulatory assets are comprised principally of the following:

(i) Retail settlement variances - represent accumulated variances that have occurred since January 1, 2012 and that have accumulated pursuant to direction from the OEB. Specifically, these amounts include:

- variances between the amount charged by the IESO and Hydro One Network Inc. for the operation of the markets and grid, as well as various wholesale market settlement charges, transmission charges as compared to the amount billed to consumers based on the OEB approved wholesale market services rate; and
- variances between the amounts charged by the IESO to allow for purchases of imported power as compared to the amounts billed to consumers based on the OEB approved rates.

1. Significant accounting policies (continued):

(g) Regulatory assets (continued):

(ii) Regulatory asset recoveries - represent accumulated recoveries of regulatory assets through increased rates until April 30, 2015.

Regulatory assets earn interest at a rate of 1.47% (2013 - 1.47%) per annum, calculated using the simple interest method.

(h) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Miscellaneous accounts receivable, billed revenue receivable and unbilled revenue are stated after evaluation of amounts expected to be collected or recovered and an appropriate allowance for doubtful accounts.

Employee future benefit liabilities owing to 1425445 Ontario Limited (operating as Utilities Kingston) ("Utilities Kingston") are based on certain assumptions arising from an actuarial valuation performed on behalf of Utilities Kingston. These assumptions include interest (discount) rate, salary escalation, the average retirement age of employees, employee turnover and expected health and dental care costs.

Due to inherent uncertainty involved in making estimates, actual results could differ from those estimates recorded in preparing these financial statements, including changes as a result of future decisions made by the OEB and Minister of Energy. Any adjustments to the estimates made will be recorded in the year they are identified.

(i) Payments in lieu of corporate income taxes (''PILs''):

The Company is exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the Electricity Act ("EA"), 1998, the Company is required to compute payments in lieu of taxes under the ITA and OCTA and remit such amounts there under to the Ontario Electricity Financial Corporation ("OEFC"). These amounts, referred to as PILs under the EA, are applied to reduce certain debt obligations of the former Ontario Hydro continuing in OEFC.

KINGSTON HYDRO CORPORATION
Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(i) Payments in lieu of corporate income taxes (''PILs'') (continued):

The Company applies the asset and liability method of accounting for payments in lieu of income taxes. Under the asset and liability method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

Future income taxes recoverable have been recorded in the accounts and a corresponding regulatory liability has been set up as future income taxes are recovered through future rate increases/decreases.

(j) Employee future benefit liabilities:

The Company's employee future benefit liabilities represent its accumulated obligation to Utilities Kingston under a service agreement.

The Company accrues its obligations to Utilities Kingston for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation, retirement ages of Utilities Kingston's employees and expected health care costs.

Utilities Kingston's employees participate in the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer public sector pension fund, as a defined benefit plan.

(k) Financial instruments:

(i) Section 3855, Financial Instruments - Recognition and Measurement:

Under the standards, financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. The standards require that all financial instruments be classified either as held-for-trading ("HFT") financial assets or liabilities, available-for-sale ("AFS") financial assets, held-to-maturity (HTM") financial assets, loans and receivables or other liabilities. The standards require that all financial instruments, including all derivatives, be measured subsequent to their initial recognition at fair value with the exception of loans and receivables, debt securities classified as HTM financial assets, AFS financial assets that do not have quoted market prices in an active market and other liabilities.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

(i) Section 3855, Financial Instruments - Recognition and Measurement (continued):

Classification of financial instruments:

The following is a summary of the classification the Company has applied to each of its significant categories of financial instruments outstanding.

Financial instrument	Classification
Due from City of Kingston	Loans and receivables
Miscellaneous accounts receivable	Loans and receivables
Billed revenue receivable	Loans and receivables
Bank loans	Other liabilities
Accounts payable and accrued liabilities	Other liabilities
Due to retailers	Other liabilities
Deposits payable	Other liabilities
Note payable to City of Kingston	Other liabilities

Held-for-trading

The Company has not designated any non-derivative financial assets as HFT, nor has it designated any non-derivative financial liabilities as HFT.

Available-for-sale

The Company has not designated any financial assets as AFS.

Held-to-maturity

The Company has not designated any financial assets as HTM.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. Loans and receivables are recorded at amortized cost, using the effective interest rate method.

Other liabilities

Other liabilities captures all financial liabilities that are not required to be designated by the Company as held for trading upon initial recognition. Other liabilities are recorded at amortized cost, using the effective interest rate method.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

(i) Section 3855, Financial Instruments - Recognition and Measurement (continued):

Derivatives

The company monitors the risks associated with changes in interest rates on its operations, and where appropriate, uses instruments to hedge these risks. Therefore certain derivative instruments qualify for hedge accounting. Hedging items and hedged items are presented in the financial statements in the same manner as other assets and liabilities. For derivative instruments that qualify for hedge accounting and which are designated as cash flow hedges, the effective portion of any gain or loss, net of tax, is reported as a component of accumulated Other Comprehensive Income. Any gains or losses that represent either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in results of operations. Any gains or losses that were recognized in Other Comprehensive Income should be reclassified into net earnings in the same period or periods during which the asset acquired or liability incurred affects net earnings. If at any time, it is expected that all or a portion of a net loss recognized in other comprehensive income will not be recovered in one or more future periods, the Company will reclassify the amount immediately into net earnings.

(ii) Section 1535, Capital Disclosures:

This section requires the disclosure of (i) an entity's objectives, policies and process for managing capital; (ii) quantitative data about an entity's managed capital; (iii) whether an entity has complied with externally imposed capital requirements; and (iv) if an entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance. Disclosure requirements pertaining to Section 1535 are contained in note 18 - Capital Risk Management.

(l) Comprehensive income:

The Company discloses comprehensive income in accordance with Canadian generally accepted accounting principles. Comprehensive income is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net earnings calculated in accordance with generally accepted accounting principles. These items could include the following:

(i) unrealized gains and losses on translating financial statements of self-sustaining foreign operations (net of gains and losses on hedges of net investments);

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(l) Comprehensive income (continued):

(ii) unrealized gains and losses on financial assets classified as 'available for sale" during the period (net of realized gains and losses as a reclassification to income);

(iii) change in gains and losses on derivatives designated as cash flow hedges.

2. Transition to International Financial Reporting Standards:

(a) Publicly accountable enterprises in Canada were required to adopt International Financial Reporting Standards ("IFRS") in place of Canadian GAAP for annual reporting purposes for fiscal years beginning on or after January 1, 2011. On September 10, 2010, the Accounting Standards Board granted an optional one-year deferral for IFRS adoption for entities subject to rate regulation.

In February 2013, the Accounting Standards Board (AcSB) decided to extend the existing deferral of the mandatory IFRS changeover date for entities with qualifying rate-regulated activities by an additional year to January 1, 2015. The Company elected to take the deferral of its adoption of IFRS; therefore, it continues to prepare its financial statements in accordance with Part V of the CPA Canada Handbook - Accounting.

(b) The International Accounting Standards Board ("IASB") issued IFRS 14

Regulatory Deferral Accounts in January 2014. This standard provides specific guidance on accounting for the effects of rate regulation and permits first-time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances while the IASB completes its comprehensive project in this area. Adoption of this standard is optional for entities eligible to use it. Deferral account balances and movements in the balances will be required to be presented as separate line items on the face of the financial statements distinguished from assets, liabilities, income and expenses that are recognized in accordance with other IFRSs. Extensive disclosures will be required to enable users of the financial statements to understand the features and nature of and risks associated with rate regulation and the effect of rate regulation on the entity's financial position, performance and cash flows.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

3. Electricity industry regulation:

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA") conferred on the Ontario Energy Board ("OEB") increased powers and responsibilities to regulate the electricity industry in Ontario. These powers and responsibilities include approving or fixing rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

On May 1, 2011 the Company's distribution rate as approved by the OEB provided for a revised rate of return of 6.74%, as compared to 7.54% in 2010.

Effective May 1, 2012, the OEB approved a 0.88% price cap index adjustment to the Company's distribution rates, in accordance with the OEB's 3rd Generation Incentive Regulation Mechanism. The adjustment was applied to fixed and variable distribution rates uniformly across all customer classes.

Also effective May 1, 2012 the OEB approved the recovery of an Incremental Revenue Requirement, through a variable rate rider, to allow for recovery of the Company's investments in incremental capital projects. The adjustment was applied uniformly across all customer classes.

On August 24, 2012, the Company filed an application with the OEB for the disposition and recovery of costs related to Smart Meter deployment. The OEB approved a fixed distribution rate increase for the recovery of smart meters effective January 1, 2013. The adjustment was applied to residential and General Service less than 50kW customers.

Effective May 1, 2014, the OEB approved a 1.4% adjustment to the Company's distribution rates, in accordance with the OEB's 3rd Generation Incentive Regulation Mechanism. The adjustment was applied to fixed and variable distribution rates uniformly across all customer classes.

On October 1, 2014, the Company filed an application under the OEB's Incentive Regulation Mechanism to increase its distribution rates by approximately 1.3%

effective May 1, 2015.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

4. Capital assets:

	2014			2013
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 197,343	$ -	$ 197,343	$ 197,343
Buildings and fixtures	725,659	235,369	490,290	498,724
Substation equipment	8,799,340	2,565,778	6,233,562	6,169,501
Distribution system:				
Overhead	19,983,580	7,289,139	12,694,441	11,561,651
Underground	17,308,323	5,618,972	11,689,351	10,833,454
Transformers	4,009,492	2,253,707	1,755,785	1,687,200
Miscellaneous intangible plant	242,440	39,776	202,664	208,725
Meters	5,572,468	1,611,204	3,961,264	4,066,676
Tools and equipment	1,392,007	975,515	416,492	366,562
System supervisory equipment	2,722,392	1,983,858	738,534	769,719
Vehicle	2,951,072	1,676,729	1,274,343	1,301,728
Application software	750,716	606,753	143,963	184,766

Leasehold improvements	335,574	234,693	100,881	108,995
Capital work-in-progress	85,585	-	85,585	303,774
	$ 65,075,991	$ 25,091,493	$ 39,984,498	$ 38,258,818

Cost and accumulated amortization of capital assets at December 31, 2013 amounted to $61,745,060 and $23,486,242, respectively.

5. Note payable to City of Kingston:

In consideration for transfer of the City of Kingston's electricity distribution business, the City of Kingston took back a note payable on January 1, 2000, for an amount equivalent to 50% of the value of net assets transferred. The note payable amounts to $10,880,619 (2013 - $10,880,619). As part of the 2011 Kingston Hydro distribution rate rebasing application, the Ontario Energy Board ordered that Kingston Hydro use a deemed debt rate of 5.87% per annum. This rate became effective May 1, 2011. The note payable has no fixed terms of repayment and is unsecured. It is not the intent of the City of Kingston to demand repayment before January 1, 2015. Interest charges on the note payable for the 2014 fiscal year were $638,692 (2013·- $638,692).

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Bank loans and long-term debt:

(a) Bank loans:

2014 2013

Operating facility of $8,000,000, available by way of a Prime Rate Based Loan or Bankers' Acceptances with interest at the bank's rate on Bankers' Acceptances plus a 0.50% stamping fee, drawn at a rate of 1.7% (facility 1) $ 7,000,000 $ 8,000,000

Committed floating rate revolving term loan facility to a maximum of $3,000,000, available by way of a Prime Rate Based Loan or Bankers' Acceptances with interest at the bank's rate on Bankers' Acceptances plus a 0.75% stamping fee, drawn at a rate of 2.0% (facility 3) 3,000,000 3,000,000

10,000,000 11,000,000

Current portion of long-term debt (note 6(b)) 705,021 652,155

$ 10,705,021 $ 11,652,155

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Bank loans and long-term debt (continued):

(b) Long-term debt:

	2014	2013
Committed reduced term facility (single draw), fixed rate of 3.67%, due December 18, 2020 (facility 3)	$ 2,453,395	$ 2,500,000
Committed reduced term facility (single draw), fixed rate of 3.25%, due May 2019 (facility 4)	1,445,549	1,745,058
Committed reduced term facility (single draw), fixed rate of 3.03% due February 2019 (facility 6)	2,007,803	2,095,665
Committed reduced term facility (single draw), fixed rate of 3.25% due January 2022 (facility 5; was facility 7 in 2013)	3,565,408	3,719,068
Committed reduced term facility (single draw), fixed rate of 3.92% due December 2042 (Infrastructure Ontario)	3,371,833	3,437,160
Capital loan, fixed rate of 3.24%, due December 9, 2021	1,500,000	-
	14,343,988	13,496,951

Less: current portion of long-term debt	705,021	652,155
	$ 13,638,967	$ 12,844,796

Principal payments on long-term debt based on scheduled repayments are as follows:

2015	$ 705,021
2016	728,729
2017	753,235
2018	778,572
2019	504,064
2020 and thereafter	10,874,367
	$ 14,343,988

KINGSTON HYDRO CORPORATION
Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Bank loans and long-term debt (continued):

(c) To comply with requirements of the IESO, as a supplier of energy to the wholesale electricity market, the Company is required to post security

determined in relation to the Company's credit rating. A letter of credit has been provided in the amount of $5,301,839 as at December 31, 2014 (2013 - $5,301,839).
Bank indebtedness is secured by a general security agreement representing a first charge on all the Company's assets.

7. Pension agreements:
On behalf of their employees who provide services to the Company, 1425445 Ontario Limited (operating as Utilities Kingston), a related corporation, makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Total contributions by that Company to OMERS for 2014 were $1,766,892 (2013 - $1,687,050).

8. Regulatory assets and liabilities:
Regulatory assets are comprised of:

	2014	2013
Regulatory assets	$ 2,209,581	$ 3,313,117
Retail settlement variances	7,495,623	6,913,614
	$ 9,705,204	$ 10,226,731

9. Related party transactions:
(a) 1425445 Ontario Limited (operating as Utilities Kingston):
During the year, the Company paid $10,126,834 (2013 - $12,050,344) to 1425445

Ontario Limited (operating as Utilities Kingston) ("Utilities Kingston") for support services and capital works. Utilities Kingston is a shared-services business incorporated to provide support services to both the Company and to various infrastructure businesses of the City of Kingston. There was no balance owing at December 31, 2014 with respect to these transactions.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

9. Related party transactions (continued):

(b) City of Kingston:

During the year, the Company contracted for certain financial services from the City of Kingston. As at December 31, 2014, the Company had an amount due from the City of Kingston representing the cumulative net balance of cash receipts and disbursements processed by the City of Kingston on behalf of the Company, in the amount of $5,939,971 (2013 - $5,714,669). The City of Kingston pays the Company interest on the balance at a rate of prime minus 1.65%.

Charges for the above services are recorded at exchange amounts established and agreed to by the related parties.

10. Employee future benefit liabilities:

(a) Pension plan:

The former Hydro-Electric Commission of the Corporation of the City of Kingston entered into agreements in 1995 with a number of former employees on non-contributory defined benefit pension plans. An actuarial report of the accrued pension liability indicates that the present value of the accrued pension benefits as at December 31, 2014 is $187,538 (2013 - $193,915).

(b) Extended health care, dental and life insurance benefits:

The Company has an obligation with respect to post employment extended health care, dental and life insurance benefits that are provided to employees of Utilities Kingston through the service agreement with Utilities Kingston. An independent actuarial study of the post-retirement and post-employment benefits has been undertaken for Utilities Kingston. The most recent actuarial valuation of the future benefit liability for Utilities Kingston was completed as at December 31, 2012. The Company is responsible for approximately 25% of the post-employment benefit liability of Utilities Kingston.

These accrued benefit liabilities at December 31 include the following components:

	2014	2013
Accrued benefit liabilities, January 1	$ 527,302	$ 485,801
Service cost (reduction)	37,210	41,501
Accrued benefit liabilities, December 31	$ 564,512	$ 527,302

These benefits will be paid to Utilities Kingston as future benefit obligations are paid by Utilities Kingston to its employees as part of the support services contract with the Company.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

10. Employee future benefit liabilities (continued):

(c) Accumulated sick leave:

Utilities Kingston provides accumulated sick leave benefits to all its employees. Under the plan, the sick leave days accumulate from year to year but are non-vested. The Company is responsible for approximately 25% of the accrued benefit liability of Utilities Kingston. The amount of the Company's accrued benefit liability for accumulated sick leave that does not vest has been actuarially determined as at December 31, 2014 and is $344,433 (2013 - $335,130).

(d) Future benefit liabilities:

	2014	2013
Future benefit liabilities are comprised of:		
Pension plan	$ 187,538	$ 193,915
Health, dental and life insurance	564,512	527,301
Accumulated sick leave	344,432	335,130
	$ 1,096,482	$ 1,056,346

11. General liability insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) which is a pooling of general liability risks. Members of MEARIE would be assessed, on a pro-rata basis, based on the total of their respective deposit premiums should losses be experienced by MEARIE that are in excess of their reserves and supplemental insurance, for the years in which the Company, and the former Hydro-Electric Commission, has been a member. The Company has not been made aware of any additional assessments.

12. Contingent liabilities:

(a) The nature of the Company's activities is such that there may be litigation pending at any time. With respect to claims at December 31, 2014 against the Company, management believes there are valid defenses and appropriate insurance coverage in place. In the event any claims specifically are successful, management believes that such claims are not expected to have a material effect on the financial position of the Company.

No provision has been made in these financial statements in respect of any of the above contingent liabilities as management has assessed the risk of loss to be remote.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

13. Payments in lieu of corporate income taxes:

The provision for amounts in lieu of corporate income taxes ("PILs") differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rates. A reconciliation between the statutory and effective tax rates is provided as follows:

2014 2013

Federal and Ontario statutory income tax rate 26.50% 26.50%

Earnings before provision for PILs $ 2,490,743 $ 2,089,462

Provision for PILs at statutory rate $ 660,047 $ 553,707

Increase (decrease) resulting from:
Capital cost allowance in excess of depreciation
and amortization (450,327) (293,154)
Tax effect of regulatory asset recoveries in
current year 64,776 63,951
Tax effect of other miscellaneous adjustments 13,730 24,199

Provision for PILs $ 288,226 $ 348,703

Effective income tax rate 11.57% 16.69%

Tax effects of temporary difference that give rise to future tax assets and
liabilities are as follows:

2014 2013

Excess of tax values over accounting values
of fixed assets $ 319,634 $ 671,791

Future benefit liabilities	290,567	279,931
Regulatory liabilities	116,462	243,430
Derivative liability	69,576	-
	$ 796,239	$ 1,195,152

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

14. Change in non-cash operating balances:

	2014	2013
Increase in due from City of Kingston	$ (225,302)	$ (1,907,818)
Decrease (increase) in miscellaneous accounts receivable	306,964	(382,218)
Decrease in billed revenue receivable	265,452	46,535
Increase in unbilled revenue	(208,298)	(1,039,261)
Increase in inventory	(5,290)	(214,471)
Decrease (increase) in prepaid expenses	50,108	(20,316)
Decrease (increase) in payment in lieu of corporate income taxes receivable	13,511	(113,930)
Decrease in regulatory assets	521,527	2,692,710

Increase (decrease) in accounts payable and accrued liabilities	(223,735)	2,172,637
Decrease in due to retailers	(77,954)	(1,009,157)
Decrease in deposits payable	(35,574)	(105,324)
	$ 381,409	$ 119,387

15. Power distribution:

As part of its license with the OEB, the Company is required to distribute power to the residents of the City of Kingston and to charge its ratepayers at rates established by the OEB. In addition, it is required to remit to the IESO payments for the purchase of commodity in addition to other costs specified by the OEB. The Company is not permitted to profit from the purchase and sale of power.

	2014	2013
Sales	$ 74,734,540	$ 72,678,286
Costs of power	(74,734,540)	(72,678,286)
	$ -	$ -

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

16. Financial instruments:

(a) Fair value of financial instruments:

The carrying values of the amount due to City of Kingston, miscellaneous accounts receivable, billed revenue receivable, unbilled revenue, payments in lieu of corporate income taxes, bank loans, accounts payable and accrued liabilities, due to retailers and deposits payable approximate their fair value due to the expected short-term maturity of these instruments. The fair value of the regulatory assets and liabilities are not determinable due to lack of market rates and terms.

The fair value of the note payable to City of Kingston is not determinable due to its related party terms.

(b) Credit risks:

Credit risk is the risk that a counterparty will fail to discharge its obligation to the Company reducing the expected cash inflow from Company assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. The Company has assessed that there are no significant concentrations of credit risk.

(c) Derivative instruments:

At December 31, 2014 the Company has five interest rate swap contracts totaling $10,972,155 (2013 - $10,059,791) that were used to convert floating rate debt to fixed rate debt. These swaps qualify as cash flow hedges. The Company's cash flow hedge exposure at December 31, 2014 equals about 45% (2013 - 42%) of total long-term debt.

The unrealized gain or loss on these contracts is included as a component of other comprehensive income (loss) for the period. As of December 31, 2014, a liability of $262,554 (2013 - asset of $90,678) is included in long-term liabilities related to these contracts.

17. Capital risk management:

The Company's objectives when managing capital are to safeguard its assets while at the same time maintain investor and creditor confidence, and to sustain future development of the business.

The Company includes shareholder's equity and long-term debt including the note payable to the City of Kingston in the definition of capital. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt with different characteristics, acquire or dispose of assets, or adjust the amount of cash and short-term investment balances held.

KINGSTON HYDRO CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

17. Capital risk management (continued):

There were no changes in the Company's approach to capital management during the period. As part of its lending arrangements, the Company is subject to various financial covenants, including debt service coverage ratio and debt to capitalization ratio.

In addition, the note payable to the City of Kingston is subordinated to the Company's bank in favour of the bank loan.

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

	Line	Amount		Total	
Amount calculated on line 9999 from Schedule 125				2,213,152	A
Add:					
Provision for income taxes – current	101	288,226			
Provision for income taxes – deferred	102	-10,636			
Amortization of tangible assets	104	1,666,551			
Reserves from financial statements – balance at the end of the year	126	1,096,483			
Subtotal of additions		3,040,624	▶	3,040,624	
Other additions:					
Miscellaneous other additions:					
600 Revenue credited to regulatory asset account recovery	290	245,620			
604					
Total	294				
Subtotal of other additions	199	245,620	▶	245,620	
Total additions	500	3,286,244	▶	3,286,244	B
Amount A **plus** amount B				5,499,396	
Deduct:					
Capital cost allowance from Schedule 8	403	3,357,027			
Cumulative eligible capital deduction from Schedule 10	405	8,870			
Reserves from financial statements – balance at the beginning of the year	414	1,056,347			
Subtotal of deductions		4,422,244	▶	4,422,244	
Other deductions:					
Miscellaneous other deductions:					
704					
Total	394				
Subtotal of other deductions	499	0	▶	0	
Total deductions	510	4,422,244	▶	4,422,244	
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				1,077,152	

T2 SCH 1 E (12)

Canada

Attached Schedule with Total

Line 290 – Amount for line 600

Title Line 290 – Amount for line 600

Description	Amount	
Incremental Capital S10	245,620	00
Total	245,620	00

Canada Revenue Agency / Agence du revenu du Canada

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column F3 – Enter if dividends have been received or not after December 20, 2012. This information is required for corporations that must complete Schedules 71 and 72. For more details with regards to this column, consult the Help.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

Name of payer corporation (from which the corporation received the dividend) 200	A	B Enter 1 if payer corporation is connected 205 (Complete if payer corporation is connected)	C Business Number of connected corporation 210 (Complete if payer corporation is connected)	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note) 220 (Complete if payer corporation is connected)	E Non-taxable dividend under section 83 230
				Total (enter on line 402 of Schedule 1)	

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation.
For more details, consult the Help.

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)* 240	F1 Eligible dividends (included in column F)	F2	F3	G Total taxable dividends paid by connected payer corporation (for tax year in column D) 250 (Complete if payer corporation is connected)	H Dividend refund of the connected payer corporation (for tax year in column D)** 260 (Complete if payer corporation is connected)	I Part IV tax before deductions F x 1 / 3 *** 270
						J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)			
Deduct:			
Part IV.I tax payable on dividends subject to Part IV tax		320	
		Subtotal	
Deduct:			
Current-year non-capital loss claimed to reduce Part IV tax	330		
Non-capital losses from previous years claimed to reduce Part IV tax	335		
Current-year farm loss claimed to reduce Part IV tax	340		
Farm losses from previous years claimed to reduce Part IV tax	345		
Total losses applied against Part IV tax		x 1 / 3 =	
Part IV tax payable (enter amount on line 712 of the T2 return)		360	

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A	B	C	D	D1
	Name of connected recipient corporation	Business Number	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note)	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
	400	410	420	430	
1	Corporation of the City of Kingston	87330 0495 RC0001	2014-12-31	741,000	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 741,000

Total taxable dividends paid in the tax year to other than connected corporations		450	
Eligible dividends (included in line 450)	450a		
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450)		460	741,000

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)			741,000
Other dividends paid in the tax year (total of 510 to 540)			
Total dividends paid in the tax year		500	741,000
Deduct:			
Dividends paid out of capital dividend account	510		
Capital gains dividends	520		
Dividends paid on shares described in subsection 129(1.2)	530		
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540		
Subtotal		►	
Total taxable dividends paid in the tax year that qualify for a dividend refund			741,000

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation* 1101(5q)? **101** 1 Yes ☐ 2 No ☒

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Adjustments and transfers** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % **** 212	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ****** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	3	Buildings	493,268	5,927		0	2,964	496,231	5	0	0	24,812	474,383
2.	1	Transmission system	2,867,838			0		2,867,838	4	0	0	114,714	2,753,124
3.	1	Substations	2,351,912			0		2,351,912	4	0	0	94,076	2,257,836
4.	1	Meters	3,203,228	226,308		0	113,154	3,316,382	4	0	0	132,655	3,296,881
5.	1	OHD distn system	7,704,100			0		7,704,100	4	0	0	308,164	7,395,936
6.	1	Underground	4,414,797			0		4,414,797	4	0	0	176,592	4,238,205
7.	8	Tools	602,264	152,533		0	76,267	678,530	20	0	0	135,706	619,091
8.	8		6,461			0		6,461	20	0	0	1,292	5,169
9.	1	Transformers	2,545,972			0		2,545,972	4	0	0	101,839	2,444,133
10.	10	Vehicles	906,861	157,007		0	78,504	985,364	30	0	0	295,609	768,259
11.	13	Leaseholds	31,755			0		31,755	NA	0	0	18,085	13,670
12.	45	Scada Hardware	294			0		294	45	0	0	132	162
13.	47	2008 onwards - Electrical distribı	13,071,873	2,706,635		0	1,353,318	14,425,190	8	0	0	1,154,015	14,624,493
14.	47	2008 Onwards - Underground	1,134,465			0		1,134,465	8	0	0	90,757	1,043,708
15.	47	2008 Onwards - Substation	829,420			0		829,420	8	0	0	66,354	763,066
16.	8	Regulatory Asset - Smartmeters	1,927,962			0		1,927,962	20	0	0	385,592	1,542,370
17.	50	Computer equipment > Feb 201(	62,156	53,600		0	26,800	88,956	55	0	0	48,926	66,830
18.	47	Incremental capital - UG & Subst	2,472,768	247,141		0	123,571	2,596,338	8	0	0	207,707	2,512,202
		Totals	44,627,394	3,549,151			1,774,578	46,401,967				3,357,027	44,819,518

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see *Regulation* 1100(2) and (2.2).

** Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.
Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

*** The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

**** Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

***** For every entry in column 9, the "Recapture of capital cost allowance" there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

****** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	1425445 Ontario Limited		89340 4814 RC0001	3					
2.	Corporation of the City of Kingston		87330 0495 RC0001	1					
3.	1425447 Ontario Limited		89340 4616 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")			200	126,710	A
Add: Cost of eligible capital property acquired during the taxation year	222				
Other adjustments	226				
Subtotal (line 222 plus line 226)		x 3 / 4 =			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1 / 2 =			C
amount B minus amount C (if negative, enter "0")			▶		D
Amount transferred on amalgamation or wind-up of subsidiary			224		E
Subtotal (add amounts A, D, and E)			230	126,710	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242				G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244				H
Other adjustments	246				I
(add amounts G,H, and I)		x 3 / 4 =	248		J
Cumulative eligible capital balance (amount F minus amount J)				126,710	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)					
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business			249		
amount K	126,710				
less amount from line 249					
Current year deduction	126,710	x 7.00 % =	250	8,870 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			8,870 ▶	8,870	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")			300	117,840	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)						N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988			**400**		1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)			**401**		2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	**402**		3			
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	**408**		4			
Line 3 minus line 4 (if negative, enter "0")			▶		5	
Total of lines 1, 2 and 5					6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7			
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8			
Subtotal (line 7 plus line 8)	**409**		▶		9	
Line 6 minus line 9 (if negative, enter "0")					▶	O
Line N minus line O (if negative, enter "0")						P
		Line 5		x 1 / 2 =		Q
Line P minus line Q (if negative, enter "0")						R
		Amount R		x 2 / 3 =		S
Amount N or amount O, whichever is less						T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)				**410**		

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Acc'd benefit - ext health	527,302		37,210		564,512
2	Acc'd benefit - pension plan	193,915			6,377	187,538
3	Acc'd benefit - sick leave	335,130		9,303		344,433
4						
	Reserves from Part 2 of Schedule 13					
	Totals	1,056,347		46,513	6,377	1,096,483

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)
2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 – Associated non-CCPC
5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 Year 2014

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 1 Yes [ ] 2 No [X]

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Association code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	Kingston Hydro Corporation	86652 9399 RC0001	1	500,000	100.0000	500,000
2	1425445 Ontario Limited	89340 4814 RC0001	1	500,000		
3	Corporation of the City of Kingston	87330 0495 RC0001	1	500,000		
4	1425447 Ontario Limited	89340 4616 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (09)

Canada

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following amounts at the end of the year:

	Line	Amount	Total	
Reserves that have not been deducted in computing income for the year under Part I	101	1,359,036		
Capital stock (or members' contributions if incorporated without share capital)	103	12,380,617		
Retained earnings	104	9,986,355		
Contributed surplus	105	3,893,103		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	22,066,614		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	13,638,967		
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is an amount (see note below) for a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership	112			
Subtotal		63,324,692 ►	63,324,692	A

Deduct the following amounts:

	Line	Amount	Total	
Deferred tax debit balance at the end of the year	121	796,239		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123			
The amount of deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal		796,239 ►	796,239	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		62,528,453	

Note: Line 112 is determined as follows:
- An amount for the partnership is the amount, if any, by which the total of those amounts—for the partnership's last fiscal period that ends at or before the tax year-end of the corporation—that would be determined for lines 101, 107, 108, 109, and 111 as if they apply to the partnership in the same way that they apply to corporations exceed the partnership's deferred unrealized foreign exchange losses at the end of the fiscal period.
- Do not include amounts owing to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership.
- Do not include amounts owning to any partnership in which a corporation described above held a membership interest either directly or indirectly through another partnership.
- The proportion of the amount is determined by the amount that the corporation's share of the partnership's income or loss for the fiscal period—to which the corporation is entitled either directly or indirectly through another partnership—is of the partnership's income or loss for the period.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other partnership or other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

1. Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		62,528,453	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	62,528,453	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 62,528,453 x $\frac{\text{Taxable income earned in Canada} \quad 610 \quad 1{,}077{,}152}{\text{Taxable income} \quad 1{,}077{,}152}$ = **Taxable capital employed in Canada** 690 62,528,453

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (**add** lines 711, 712, and 713)			►	E
Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0")			790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.00225)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

To total all loans and advances to corporation (line item by line item)

Description	Amount	
Deposit payable		
Due to City of Kingston	10,880,619	00
Post market opening retail settlement balance	436,096	00
Bank Loan	10,705,021	00
Due to retailers	44,878	00
Total	22,066,614	00

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business Number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Corporation of the City of Kingston	87330 0495 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

On: 2014-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☒ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	9,310,201 A
Taxable income for the year (DICs enter "0") *	110	1,077,152 B		
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (**add** lines 120, 130, and 140)		▶ C		
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")	150	1,077,152		
After-tax income (line 150 x general rate factor for the tax year ** 0.72)			190	775,549 D
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (**add** lines 200 and 210)		▶		E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)	220			
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230			
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)		▶	290	F
Subtotal (**add** lines A, D, E, and F)				10,085,750 G
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310)		▶		H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)			490	10,085,750
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)			560	
GRIP at the end of the tax year (line 490 **minus** line 560)			590	10,085,750

Enter this amount on line 160 of Schedule 55.

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2013-12-31

Taxable income before specified future tax consequences from the current tax year		1,424,546 J1	
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (**add** lines K1, L1, and M1)	▶	N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")		1,424,546 ▶	1,424,546 O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R1

Aggregate investment income (line 440 of the T2 return) . . . . ______ S1

Subtotal (**add** lines Q1, R1, and S1) ______ ▶ ______ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ______ ▶ ______ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") ______ V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.72) . . . . **500** ______

Second previous tax year 2012-12-31

Taxable income before specified future tax consequences from the current tax year 1,609,985 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L2

Aggregate investment income (line 440 of the T2 return) . . . . ______ M2

Subtotal (**add** lines K2, L2, and M2) ______ ▶ ______ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 1,609,985 ▶ 1,609,985 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R2

Aggregate investment income (line 440 of the T2 return) . . . . ______ S2

Subtotal (**add** lines Q2, R2, and S2) ______ ▶ ______ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ______ ▶ ______ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") ______ V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.72) . . . . **520** ______

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year . . . 392,607 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L3

Aggregate investment income (line 440 of the T2 return) . . . . ______ M3

Subtotal (**add** lines K3, L3, and M3) ______ ▶ ______ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 392,607 ▶ 392,607 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R3

Aggregate investment income (line 440 of the T2 return) . . . . ______ S3

Subtotal (**add** lines Q3, R3, and S3) ______ ▶ ______ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") ______ ▶ ______ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") ______ V3

GRIP adjustment for specified future tax consequences to the third previous tax year
(line V3 **multiplied by** the general rate factor for the tax year 0.72) . . . . **540** ______

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ______ W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . ______ AA

Eligible dividends paid by the corporation in its last tax year . . . . ______ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . ______ CC

Subtotal (line BB **minus** line CC) ______ ▶ ______ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(line AA **minus** line DD) . . . . ______ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

– line 230 for post-amalgamation; or
– line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year			FF
The corporation's money on hand immediately before the end of its previous/last tax year			GG
Unused and unexpired losses at the end of the corporation's previous/last tax year:			
Non-capital losses			
Net capital losses			
Farm losses			
Restricted farm losses			
Limited partnership losses			
Subtotal		►	HH
Subtotal (**add** lines FF, GG, and HH)			II
All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year		JJ	
Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year		KK	
All the corporation's reserves deducted in its previous/last tax year		LL	
The corporation's capital dividend account immediately before the end of its previous/last tax year		MM	
The corporation's low rate income pool immediately before the end of its previous/last tax year		NN	
Subtotal (**add** lines JJ, KK, LL, MM, and NN)		►	OO
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0")			PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year	/ 365	. . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year	/ 365	. . . . =		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year	/ 365	. . . . =		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year	365 / 365	. . . . =	0.720000000	TT

General rate factor for the tax year (total of lines QQ to TT) . . . . 0.72000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		741,000		
Total taxable dividends paid in the tax year	100	741,000		
Total eligible dividends paid in the tax year	150			A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	160		10,085,750	B
Excessive eligible dividend designation (line 150 **minus** line 160)				C
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	180			D
Subtotal (amount C **minus** amount D)				E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190			F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3				
Total taxable dividends paid in the tax year	200			
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)				G
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	280			H
Subtotal (amount G **minus** amount H)				I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)	290			J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of Ontario basic rate of tax for the year

Number of days in the tax year before July 1, 2011 / Number of days in the tax year	/ 365	x	12.00 %	=	%	A1
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	365 / 365	x	11.50 %	=	11.50000 %	A2

Ontario basic rate of tax for the year (rate A1 **plus** A2) 11.50000 ► 11.50000 % A3

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income *	1,077,152	B
Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A3 from Part 1)	123,872	C

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Part 3 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)	1,077,152	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	1,077,152	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	3
Business limit reduction (amount from line E of the T2 return) 5,119,111 x Number of days in the tax year after May 1, 2014 / Number of days in the tax year 244 / 365 =	3,422,091	4
Amount from line 3 **minus** amount from line 4 (if negative, enter "0") =		5
Enter the least of amounts 1, 2, 3 and 5		D
Ontario domestic factor: Ontario taxable income * / Taxable income earned in all provinces and territories ** 1,077,152.00 / 1,077,152 =	1.00000	E

Amount D x factor E ______ a

Ontario taxable income (amount B from Part 2) 1,077,152 b

Ontario small business income (lesser of amount a and amount b)		F

Number of days in the tax year before July 1, 2011 / Number of days in the tax year	/ 365	x	7.50 %	=	%	G1
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	365 / 365	x	7.00 %	=	7.00000 %	G2

OSBD rate for the year (rate G1 **plus** G2)	7.00000 %	G3
Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G3)		H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

** Includes the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 4 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (lesser of amount D and amount b from Part 3)		I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 5 – Calculation of credit union tax reduction

Complete this part and Schedule 17, *Credit Union Deductions*, if the corporation was a credit union throughout the tax year.

Amount D from Part 3 of Schedule 17		J		
Deduct:				
Ontario adjusted small business income (amount I from Part 4)		K		
Subtotal (amount J **minus** amount K) (if negative, enter "0")		L		
OSBD rate for the year (rate G3 from Part 3)	7.00000 %			
Amount L **multiplied** by the OSBD rate for the year				M
Ontario domestic factor (factor E from Part 3)			1.00000	N
Ontario credit union tax reduction (amount M **multiplied** by factor N)				O

Enter amount O on line 410 of Schedule 5.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	72,487,566
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	17,629,260
Total assets (total of lines 112 to 116)		90,116,826
Total revenue of the corporation for the tax year **	142	11,906,957
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	116,547,005
Total revenue (total of lines 142 to 146)		128,453,962

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	2,213,152
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	288,226		
Provision for deferred income taxes (debits)/cost of future income taxes	222			
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		288,226 ▶		288,226 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322	10,636		
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381	382			
383	384			
385	386			
387	388			
389	390			
Subtotal		10,636 ▶		10,636 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,490,742

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	2,490,742	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	2,490,742	

Amount from line 520 2,490,742 x (Number of days in the tax year before July 1, 2010 / Number of days in the tax year 365) x 4 % = ______ 1

Amount from line 520 2,490,742 x (Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365) x 2.7 % = 67,250 2

Subtotal (amount 1 **plus** amount 2) 67,250 3

Gross CMT: amount on line 3 above x OAF **	540	67,250	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		67,250	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		123,872	
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** = ______

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

*****Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *				G
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)		► 620		
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)		650		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)				J
Add:				
Net CMT payable (amount E from Part 3)				
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal		►		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)		670		L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)				M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		123,872 1		
For a corporation that is not a life insurance corporation:				
CMT after foreign tax credit deduction (amount D from Part 3)	67,250 2			
For a life insurance corporation:				
Gross CMT (line 540 from Part 3)	3			
Gross SAT (line 460 from Part 6 of Schedule 512)	4			
The **greater** of amounts 3 and 4	5			
Deduct: line 2 or line 5, whichever applies:		67,250 6		
Subtotal (if negative, enter "0")		56,622 ►	56,622	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		123,872		
Deduct:				
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)				
Subtotal (if negative, enter "0")		123,872 ►	123,872	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)				P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . 700 ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ► 720 ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . 750 ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . 760 ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	1425445 Ontario Limited	89340 4814 RC0001	17,629,259	116,547,005
2	Corporation of the City of Kingston	87330 0495 RC0001	0	0
3	1425447 Ontario Limited	89340 4616 RC0001	1	0
		Total	450 17,629,260	550 116,547,005

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511 Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2014-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
Kingston Hydro Corporation

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-09-19	1425446

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)
Randy Murphy

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
1211	John Counter Boulevard	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Kingston	ON	CA	K7L 4X7

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Murphy (Last name) **451** Randy (First name)

454 ________ , (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . Kingston Hydro Corporation

Taxation Year . . . . 2014-01-01 to 2014-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . . -57,059

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		1,077,152
Taxable income		1,077,152
Donations		
Calculation of income from an active business carried on in Canada		1,077,152
Dividends paid		741,000
Dividends paid – Regular	741,000	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		9,310,201
Balance of the general rate income pool at the end of the year		10,085,750
Part I tax (base amount)		409,318

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I	161,573	ITC refund	
M&P deduction		Part IV		Dividends refund	
Foreign tax credit		Part III.1		Instalments	342,504
Investment tax credits		Other*		Surtax credit	
Abatement/Other*	247,745	Provincial or territorial tax	123,872	Other*	

Balance due/refund (–) -57,059

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Cumulative eligible capital	117,840
Financial statement reserve	1,096,483

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	1,077,152		
Taxable income	1,077,152		
% Allocation	100.00		
Attributed taxable income	1,077,152		
Tax payable before deduction*	123,872		
Deductions and credits			
Net tax payable	123,872		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	123,872		
Instalments and refundable credits			
Balance due/Refund (-)	123,872		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
Kingston Hydro Corporation	61,190,992	61,190,992	62,528,453	62,528,453
1425445 Ontario Limited				
Corporation of the City of Kingston				
1425447 Ontario Limited				
Total	61,190,992	61,190,992	62,528,453	62,528,453

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Taxable capital used to calculate the Nova Scotia capital deduction on large corporations (Schedule 343)
Total		

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Net income	1,077,152	1,424,546	1,609,985	392,607	793,755
Taxable income	1,077,152	1,424,546	1,609,985	392,607	793,755
Active business income	1,077,152	1,424,546	1,609,985	392,607	793,755
Dividends paid	741,000	650,000			
Dividends paid – Regular	741,000	650,000			
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	9,310,201	8,625,138	7,465,949	7,191,124	6,643,433
GRIP – end of the year	10,085,750	9,650,811	8,625,138	7,465,949	7,191,124
Donations					
Balance due/refund (-)	-57,059	-71,150	41,645	-167,303	-709,625

Loss carrybacks requested in prior years

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Taxable income before loss carrybacks	N/A	N/A	1,609,985	392,607	793,755
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	1,609,985	392,607	793,755

Losses in the current year carried back to previous years (according to Schedule 4)

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Adjusted taxable income before current year loss carrybacks*	N/A	1,424,546	1,609,985	392,607	N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	1,424,546	1,609,985	392,607	N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Federal taxes

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Part I	161,573	213,681	241,497	64,780	142,875
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*	247,745	327,646	370,297	84,411	158,752

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
ITC refund					
Dividend refund					
Instalments	342,504	413,654	350,000	249,750	946,478
Surtax credit					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Net income	1,077,152	1,424,546	1,609,985	392,607	793,755
Taxable income	1,077,152	1,424,546	1,609,985	392,607	793,755
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	1,077,152	1,424,546	1,609,985	392,607	793,755
Surtax					6,559
Income tax payable before deduction	123,872	163,823	185,148	46,123	103,123
Income tax deductions /credits		35,000	35,000	28,456	35,212
Net income tax payable	123,872	128,823	150,148	17,667	74,470
Taxable capital					41,226,452
Capital tax payable					19,508
Total tax payable*	123,872	128,823	150,148	17,667	93,978
Instalments and refundable credits					
Balance due/refund**	123,872	128,823	150,148	17,667	93,978

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.